

# House File 856 - Introduced

HOUSE FILE \_\_\_\_\_  
BY FORD

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to incremental revenues collected in an economic  
2 development urban renewal area and including an applicability  
3 date.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 2723YH 82  
6 sc/es/88

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1 1 Section 1. Section 403.19, subsections 2 and 3, Code 2007,  
1 2 are amended to read as follows:  
1 3 2. That portion of the taxes each year in excess of such  
1 4 amount shall be allocated to and when collected be paid into a  
1 5 special fund of the municipality to pay the principal of and  
1 6 interest on loans, moneys advanced to, or indebtedness,  
1 7 whether funded, refunded, assumed, or otherwise, including  
1 8 bonds issued under the authority of section 403.9, subsection  
1 9 1, incurred by the municipality to finance or refinance, in  
1 10 whole or in part, an urban renewal project within the area,  
1 11 ~~and~~ to provide assistance for low and moderate income family  
1 12 housing as provided in section 403.22, and to provide  
1 13 assistance to other urban renewal areas located within the  
1 14 municipality as provided in section 403.22A, except that taxes  
1 15 for the regular and voter-approved physical plant and  
1 16 equipment levy of a school district imposed pursuant to  
1 17 section 298.2 and taxes for the payment of bonds and interest  
1 18 of each taxing district must be collected against all taxable  
1 19 property within the taxing district without limitation by the  
1 20 provisions of this subsection. However, all or a portion of  
1 21 the taxes for the physical plant and equipment levy shall be  
1 22 paid by the school district to the municipality if the auditor  
1 23 certifies to the school district by July 1 the amount of such  
1 24 levy that is necessary to pay the principal and interest on  
1 25 bonds issued by the municipality to finance an urban renewal  
1 26 project, which bonds were issued before July 1, 2001.  
1 27 Indebtedness incurred to refund bonds issued prior to July 1,  
1 28 2001, shall not be included in the certification. Such school  
1 29 district shall pay over the amount certified by November 1 and  
1 30 May 1 of the fiscal year following certification to the school  
1 31 district. Unless and until the total assessed valuation of  
1 32 the taxable property in an urban renewal area exceeds the  
1 33 total assessed value of the taxable property in such area as  
1 34 shown by the last equalized assessment roll referred to in  
1 35 subsection 1, all of the taxes levied and collected upon the  
2 1 taxable property in the urban renewal area shall be paid into  
2 2 the funds for the respective taxing districts as taxes by or  
2 3 for the taxing districts in the same manner as all other  
2 4 property taxes. When such loans, advances, indebtedness, and  
2 5 bonds, if any, and interest thereon, have been paid, all  
2 6 moneys thereafter received from taxes upon the taxable  
2 7 property in such urban renewal area shall be paid into the  
2 8 funds for the respective taxing districts in the same manner  
2 9 as taxes on all other property. In those instances where a  
2 10 school district has entered into an agreement pursuant to  
2 11 section 279.64 for sharing of school district taxes levied and  
2 12 collected from valuation described in this subsection and  
2 13 released to the school district, the school district shall  
2 14 transfer the taxes as provided in the agreement.  
2 15 3. The portion of taxes mentioned in subsection 2 and the  
2 16 special fund into which they shall be paid, after the  
2 17 allocations and payments required in sections 403.22 and  
2 18 403.22A, may be irrevocably pledged by a municipality for the  
2 19 payment of the principal and interest on loans, advances,

2 20 bonds issued under the authority of section 403.9, subsection  
2 21 1, or indebtedness incurred by a municipality to finance or  
2 22 refinance, in whole or in part, the urban renewal project  
2 23 within the area.

2 24 Sec. 2. NEW SECTION. 403.22A ASSISTANCE REQUIREMENTS FOR  
2 25 CERTAIN URBAN RENEWAL AREAS.

2 26 1. With respect to any urban renewal area established upon  
2 27 the determination that the area is an economic development  
2 28 area, revenues collected and deposited in the special fund  
2 29 pursuant to section 403.19, subsection 2, shall first be  
2 30 allocated as provided in this section.

2 31 2. An amount equal to ten percent of the revenues  
2 32 collected each fiscal year in an economic development urban  
2 33 renewal area that is located within a city and deposited in  
2 34 the special fund pursuant to section 403.19, subsection 2,  
2 35 shall be allocated and paid over to the special funds of each  
3 1 urban renewal area established upon the determination that the  
3 2 area is a slum or blighted area and located within the city.

3 3 Sec. 3. APPLICABILITY DATE. This Act applies to taxes due  
3 4 and payable in fiscal years beginning on or after July 1,  
3 5 2008.

3 6 EXPLANATION

3 7 This bill requires a municipality to allocate 10 percent of  
3 8 the incremental revenues it collects in an economic  
3 9 development urban renewal area to each slum and blighted urban  
3 10 renewal area located in the city.

3 11 The bill applies to taxes due and payable in fiscal years  
3 12 beginning on or after July 1, 2008.

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3 14 sc:nh/es/88